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KOREAN AFFAIRS REPORT

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INTER-KOREAN AFFAIRS

DFRF LEADER REVILES KOREA-U.S. TREATY CENTENNIAL

SK260428 Pyongyang KCNA in English 0341 GMT 26 Sep 81

[Text] Pyongyang September 26 (KCNA)--Ho Chong-suk, director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland [DFRF], on September 25 published a talk denouncing the scheme of the Chon Tu-hwan group to "commemorate" the centenary of the signing of the "Korea-U.S. friendship and trade treaty."

She sharply denounced with bitter national resentment the criminal scheme of the Chon Tu-hwan group which has of late framed up a "government"-sponsored tool called "civilian promotion committee for the commemoration of the centenary of the Korea-U.S. amity" and decided to grandly "commemorate" under its sponsorship the centenary of the signing of the so-called "Korea-U.S. friendship and trade treaty" in May next year.

She said:

As for the "Korea-U.S. friendship and trade treaty," it was, to all intents and purposes, an aggressive and predatory unequal treaty in view of the background of its signing and of its content.

It is a shackling treaty which the U.S. imperialists signed unilaterally with the corrupt and incompetent feudal rulers of Korea in May 1882 through swindle with hypocritic honeyed words to protect them from Japan's aggression, after suffering repeated shameful setbacks in their armed invasion of Korea for laying a spring-board for Asian aggression.

The treaty granted to the U.S. imperialists unrestricted "rights" to freely commit aggression and plunder in Korea, while imposing upon the then Korean Government only the obligation to guarantee conditions for the exercise of all these "rights" by the U.S. imperialists.

The "Korea-U.S. friendship and trade treaty" was a criminal document which opened a broad way of aggression on Korea to the U.S. imperialists in all the political, economic, cultural and military fields.

Therefore, the day when this aggressive treaty was signed is a disgraceful day evoking national resentment from our Korean people.

Nevertheless, the Chon Tu-hwan group is today scheming to grandly "commemorate" this disgraceful day, the day of the U.S. imperialists crime. This makes it self-evident that it is the most despicable traitor and ridiculous pro-U.S. flunkeyist without a shred of national conscience and dignity.

In the business of "commemoration of the centenary of South Korea-U.S. amity," the Chon Tu-hwan traitor group pursues the sinister aim of leaving South Korea as the permanent colony and military base of the U.S. imperialists and gratifying its desire of long-term office under their patronage.

The Korean people will never be a calm onlooker to this unpardonable treacherous scheme of the Chon Tu-hwan group.

The treacherous business of "commemoration of the centenary of South Korea-U.S. amity" in South Korea must be immediately brought to an end.

The South Korean people who desire the sovereignty of the nation and the reunification and independence of the country should come out against the treacherous "commemoration" business of the traitors.

Availing myself of this opportunity I earnestly appeal to anyone in South Korea who truly loves the country and the nation to rise up determinedly in the anti-U.S., anti-fascist struggle for democracy and national salvation to terminate the colonial fascist rule of the U.S. imperialists and their stooges and accelerate the independent and peaceful reunification of the country.

CSO: 4120/11

INTER-KOREAN AFFAIRS

DPRK PAPER FLAYS CHON'S ADDRESS ON CIVIL DEFENSE CORPS

SK251524 Pyongyang KCNA in English 1500 GMT 25 Sep 81

[Text] Pyongyang September 25 (KCNA)—The traitor Chon Tu-hwan, in his "address" at "celebrations of the sixth anniversary of the founding of the civilian defence corps" held in Seoul on September 22, raised a frantic row against us. Denouncing this, MINJU CHOSON today prints a signed commentary titled "Feverish Provocative Blast of War Hysteria."

The traitor Chon Tu-hwan maliciously described our sincere efforts for the independent and peaceful reunification of the country as "unification through communisation" and "adventurist strategy" and feverishly cried for "increasing the fighting capacity" of the puppet army and "developing munitions industry" and strengthening "the reserve forces and the civilian defence corps" under the pretext of "independent defence," the commentary notes, and says:

The utterances of the puppet traitor are a treacherous jargon openly revealing his criminal intention to incite the consciousness of north-south confrontation and war and intensify the fascist suppression and war moves.

His talk about "unification through communisation" and "adventurist strategy" is a sheer lie for slandering us and fostering antagonism and confrontation between the north and the south.

Pointing out that that day the traitor Chon Tu-hwan waxed quite eloquent about "efforts for the resumption of the dialogue" and "fixation of peace," the commentary remarks: His talk is a mere jugglery of words to shift the responsibility for the rupture of the dialogue onto others and camouflage his splittist and bellicose nature.

"Independent defence" on the lips of this traitor is part of the U.S. imperialists policy of aggression and war towards Korea. It seeks the aim of introducing U.S. destructive weapons and combat equipment into South Korea, increasing local military potential to mobilize all the human and material resources of South Korea in an attempt to realise their aggressive design on the northern half of the DPRK without much difficulty. Through this the U.S. imperialists undergoing a serious economic crisis also intend to lessen their war burdens. This time, too, the puppet traitor cried that "all efforts" should be bent for "the establishment of a defence posture." In the final analysis, this is meant to step up war preparations more frantically against the northern half of the DPRK. This shows with

increasing clarity what a heinous warmaniac and a despicable war servant of the U.S. imperialists he is.

Noting that the traitor Chon Tu-hwan never opens his mouth without letting loose a bellicose jargon speaking ill of us, the commentary says: This is a sinister design to render the situation of the country strained, intensify the fascist suppression and war moves and thereby keep the nation divided and remain in power indefinitely at any cost.

In conclusion the commentary stresses:

The traitor Chon Tu-hwan must give up the reckless anti-communist war moves and step down from "power," as unanimously demanded by the South Korean people.

CSO: 4120/11

INTER-KOREAN AFFAIRS

CHONG CHUN-KI ATTENDS PARTY FOR TAEGWONDO OFFICIAL

SK290455 Pyongyang KCNA in English 0426 GMT 29 Sep 81

[Text] Pyongyang September 29 (KCNA)--The committee for the peaceful reunification of the fatherland arranged a party on the evening of September 28 at the Ongnyugwan Restaurant for Choe Hong-hui, publisher of "PAEDAL SINBO" and president of the International Federation of Taegwondo, on a visit to the socialist homeland.

Invited to the party were Mr Choe Hong-hui and his wife and their party.

Present there were Vice-Premier Chong Chun-ki, and director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland Ho Chong-suk, chairman of the Pyongyang Municipal Peoples Committee Kim Man-kum, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland Hong Ki-mun, vice-chairman of the Korean Committee for Aiding Overseas Compatriots Yo Yon-ku, vice-chairman of the Korean Physical Culture and Sports Guidance Committee Yi Chang-sun, and other personages concerned.

Vice-Premier Chong Chun-ki spoke first at the party.

He said that after visiting the homeland last year Mr Choe Hong-hui conducted energetic patriotic activities for the democratization of South Korean society and the independent and peaceful reunification of the country, pulling through all the difficulties with a fighting spirit for national salvation, not yielding to vicious challenge and persecution by the South Korean fascist clique under arduous conditions abroad.

In particular, Mr Choe Hong-hui supported the new proposal for founding the Democratic Confederal Republic of Koryo put forward by the great leader President Kim Il-song, the peerless patriot, and carried on brisk activities for its realization, he noted.

Vice-Premier Chong Chun-ki said that all his courageous and just patriotic activities dealt a heavy blow at the Chon Tu-hwan clique seeking fascism and division and rendered powerful encouragement to the Koreans at home and abroad fighting for democracy and reunification.

To bring earlier the national reunification, he stressed, we should carry into effect the proposal for founding the DCRK advanced by President Kim Il-song, the great sun of the nation.

For the realization of this new reunification proposal, all the Koreans at home and abroad should firmly unite irrespective of ideology and idea, he said, and declared:

The current visit of Mr Choe Hong-hui will be a significant one in putting an end to the history of division and promoting the cause of reunification with the concerted efforts of the nation.

Wherever Mr Choe Hong-hui goes during his stay in the homeland, he will see with his own eyes the splendid features of the socialist homeland which is changing its looks day by day under the wise guidance of the great leader and the energetic leadership of the glorious party centre, and the successes made by our people in construction by relying on their own efforts and through a hard struggle and feel once again the warmkindred sentiments cherished for him by the compatriots in the homeland.

Mr Choe Hong-hui spoke next.

Noting that in September last year, he, together with his dear followers, visited the north, his country and native place, which he had longed for in his life, he said:

After visiting the homeland last year, I spoke lots of things. Particularly, an American instructor, a foreigner in our party, wrote an article describing the north as an earthly paradise and contributed it to a publication to be widely introduced.

One of my followers, giving his impressions of the north at a meeting of the International Federation of Taegwondo held in Britain, proudly spoke before many fellow countrymen that our nation had undergone ordeals in the past because it had not a great leader but today as our compatriots have the great leader in the person of respected and beloved President Kim Il-song, they have greeted in a new era of national prosperity.

If there is a paradise in the world as people in olden times said, I can say with confidence that it is the north where there is no tax but plenty of food and people love and respect each other.

Therefore, each time I was asked about the reality of the north by many compatriots, I told them what I saw and felt and advised them to visit the north.

The situation has changed much. People in South Korea and abroad correctly understand the north and long for it.

However hard such a rascal as Chon Tu-hwan of South Korea may try to block this tendency, it is in vain. Chon Tu-hwan is a murderer. So he is as good as a corpse. Now the south is not tranquil and the inside is very uproarious.

The day is not far off when Chon Tu-hwan will be overthrown and the country be reunified. In the south 99 percent of the population want reunification and Chon Tu-hwan and Co. accounting for only one percent of it seek division.

Convinced of reunification, we should unite as one and bring earlier the day of reunification.

At this grand place today I propose a toast, wishing good health and a long life to respected and beloved President Kim Il-song, the great leader of our nation, who provided me with an opportunity to revisit the homeland and accorded such a warm hospitality and to the dear leader Mr Kim Chong-il who is upholding his lofty intentions.

A member of the party of Mr Choe Hong-hui recited his poem "Korea is One" reflecting his feelings.

The poem said in part:

Korea is one. Sure to come is the day of glory when the entire Korean people in the north and south will lead a happy life under the loving care of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, the successor to his cause.

Long live the great leader Comrade Kim Il-song!

Long live the dear leader Comrade Kim Chong-il, the successor to his cause!

Long live national reunification!

The party passed in an atmosphere overflowing with compatriotic sentiments.

CSO: 4120/11

INTER-KOREAN AFFAIRS

BRIEFS

FISHERMEN STAGE 'JOINT STRUGGLE'—Pyongyang 24 Sep (KCNA)—More than 2,200 fishermen hired at 42 fisheries companies in Pusan, South Korea, rose in a joint struggle on September 21 in demand of the raise of the wages and allowances, according to a report. At around eight in the evening the fishermen stopped fishing all at once and sailed 150 fishing boats to the Sogulpo Port, Cheju-do Island, from the fishing ground. They protested to the fisheries companies for failing to fairly set the wages for the ordinary crewmen and paying deplorably low wages to rationalize exploitation and strongly demanded that the wages be raised to enable them to make ends meet. The fishermen denounced the companies' unwarranted act in arbitrarily revising the norms of application of allowances to make it hard to get them paid and demanded that they be corrected and the allowances be lifted. [Text] [SK232229 Pyongyang KCNA in English 2216 GMT 23 Sep 81]

STUDENTS STAGE PROTEST—Pyongyang 26 Sep (KCNA)—Students of the Seoul University who had courageously fought for campus freedom and democratization of society staged an anti-"government" demonstration again on September 17, according to a foreign press report. The demonstrators showed their spirit, strongly denouncing the Chon Tu-hwan military fascist clique. While the demonstration was going on, some students scattered anti-"government" leaflets from the roof of a building of the university and encouraged the demonstration of the fellow students with big bugles. This fact had been kept in the dark for the news blackout clamped by the puppets till it was disclosed by the puppet cliques' announcement of the arrest of five students who had participated in the demonstration. The Chon Tu-hwan military fascist clique schemes to inflict severe punishment upon the arrested students on the strength of the fascist "law of assembly and demonstration." [Text] [SK260506 Pyongyang KCNA in English 0352 GMT 26 Sep 81]

KIM YONG-NAM MEETS COMMITTEE—Pyongyang 28 Sep (KCNA)—Comrade Kim Yong-nam on September 27 met and had a friendly talk with the delegation of the Pacific Region Liaison Committee for the Promotion of the Independent and Peaceful Reunification of Korea headed by its Secretary General Brian McKinlay. Present on the occasion was personage concerned O Mun-han. [Text] [SK280444 Pyongyang KCNA in English 0330 GMT 28 Sep 81]

CSO: 4120/11

S. KOREA/POLITICS AND GOVERNMENT

ROK ANNOUNCES DIPLOMATIC RESHUFFLE

SK280754 Seoul YONHAP in English 0744 GMT 28 Sep 81

[Text] Seoul, Sep 28 (YONHAP)--Korean ambassador to the Philippines Song Kwang-chong has been appointed ambassador to West Germany, succeeding Yi Mun-yong, who was transferred to the Foreign Ministry as an envoy at large.

In a reshuffle Monday affecting 13 ambassadors, from consuls-general and two bureau directors, the Korean Foreign Ministry shifted ambassador to Uruguay Yi Nam-ki to Manila succeeding Song.

Other appointments are as follows:

- Chang Yun-kol, consul general at Seattle, Washington, to be ambassador to Uruguay.
- Sin Chong-sop, consul general at San Francisco, California, to be ambassador to Kuwait.
- Mun Hui-chol, research official at the ministry's Institute of Foreign Affairs and National Security, to be ambassador to Surinam.
- Kim Chae-hun, minister at large, to be ambassador to Nicaragua.
- Kim Sang-kyu, research official at the Institute of Foreign Affairs and National Security, to be ambassador to Qatar.
- Chang Myong-kwan, director of the ministry's African Affairs Bureau, to be ambassador to Senegal.
- Kim Chae-song, director of the ministry's Information and Cultural Affairs Bureau, to be ambassador to Jordan.
- Yi Mun-su, ambassador to Surinam, to be consul general at Boston, Massachusetts.
- Yun Yong-yop, minister at large, to be consul general at Osaka, Japan.
- No Yong-chan, ambassador to Senegal, to be consul general at San Francisco, California.

-- Yi Chi-chol, research official at the Institute of Foreign Affairs and National Security, to be consul general at Kobe, Japan.

-- Hong Sun-yong, research official at the Institute of Foreign Affairs and National Security, to be director of the African Affairs Bureau.

-- Kim Kyong-chol, director of the International Trade Bureau, to be director of the Information and Cultural Affairs Bureau.

Those summoned home to become ambassadors at large in addition to Yi are Son Chin-chol, ambassador to Jordan; Kim In-to, ambassador to Kuwait; So Kyong-suk, ambassador to Qatar; Wu Chong, consul general at Sapporo, Japan and Kim Ki-chun, consul general at Kobe, Japan.

CSO: 4120/12

S. KOREA/POLITICS AND GOVERNMENT

ROK PARTIES DEBATE ASSEMBLY LAW REVISION

SK260844 Seoul THE KOREA TIMES in English 26 Sep 81

[Text] Rival parties were in a bitter tug-of-war yesterday over the procedures for the deliberation of an amendment bill to the National Assembly law, laid before the steering committee four months after being proposed to the assembly by the 1st minority Democratic Korea Party (DKP), in a meeting of the house panel.

The majority Democratic Justice Party (DJP), which has set a policy not to revise the house law during the incumbent 108th regular session, and the DKP confronted with each other especially over the deadline for the deliberation of the revision bill by a subcommittee of the panel.

They also disputed over whether to conduct a free debate on the bill before the formation of the subcommittee, as demanded by the DKP.

The second minority Korea National Party (KNP), which has expressed their support of the DKP's proposed revision bill in principle, maintained a neutral attitude between the DJP and DKP in the meeting, which lasted until 10:03 p.m.

The bipartisan conflict adjourned the panel meeting, which opened at 4:00 p.m., three times for the "behind-the scene negotiations" on the disputed issues.

But the rival parties failed to reach any agreement on setting the deadline for the deliberation of the bill and the number of the subcommittee members, and only decided to hold another meeting at 2:00 p.m. Monday.

After the marathon meeting, Rep. Yi Chong-chan, floor leader of the DJP, and chairman of the steering committee, said flatly, "It is too premature for us to rewrite the assembly law. The amendment bill should be deliberated until the end of the current regular house sitting."

The revision bill was formally introduced with 82 proponents of the DKP calling for revision in such a way as to ensure the role of the assembly in maintaining balance among the branches of the government.

Proponent Rep. Mok Yo-sang said the law should be revised, especially the provisions concerning preliminary review of the government budget, lengthening the time for lawmakers' interpellation, and the alleviation of the restrictions on the invocation of parliamentary inspection rights.

In a speech introducing the amendment bill to the steering committee, Rep. Mok pointed out that the present law was one of the many laws milled out without proper or adequate deliberation by the legislative assembly.

As to the argument of the DJP that it was premature to talk about revision since it was written only nine months ago and if there were any defects they could be made up for by "operational" skill, Rep. Mok said this was only a manifestation that the law had defects.

He elaborated with regard to revision that all sessions of the Parliament, be they committee sessions or plenary ones, should be held in the morning instead of in the afternoon as stipulated by the current law.

Holding sessions in the afternoon was not efficient and at the same time, it amounted to breach of duty, he said.

As to the restoration of preliminary review of the government budget by the standing committees, it should be viewed from the standpoint of the restoration of parliamentary authority.

An Yong-hwa, a policy specialist on the steering committee, said he thought it was not easy for him to make a full review of the law at the present moment when its efficacy had yet to be tested at length.

CSO: 4120/12

S. KOREA/POLITICS AND GOVERNMENT

FINANCE MINISTRY TO AMEND EXCISE TAX LAW

SK250607 Seoul THE KOREA TIMES in English 25 Sep 81 p 1

[Text] The Finance Ministry has drafted an amendment to the excise tax law to lower excise tax rates for some electronic products.

According to the draft amendment bill, which will be referred to the National Assembly, the basic tax rate for color TV sets (less than 18 inches) will be reduced to 30 percent from the present 40 percent.

The ministry said the adjustment of the excise tax was necessary due to changing consumption patterns and industrial policy.

The tax rates on popular items are to be lowered, and the rates on luxurious consumer items to be increased, the ministry said.

In case of black-and-white TV sets, the excise tax rate will be cut to 10 percent from the present 30 percent, while the rate for refrigerators of less than 250 liters will be lowered to 30 percent from 40 percent.

The basic tax rate on small-sized tape recorders will be brought down to 10 percent from the current 30 percent, and the tax rate for electric appliances will be cut to 30 percent from 40 percent.

However, the tax rate for pianos (grand type) will rise to 30 percent from 20 percent, and the taxes on motorboats and yachts (large size) will be raised to 40 percent from 30 percent.

The tax rates for textiles (wool products) will rise to 40 percent from 30 percent.

The ministry also decided to levy taxes on items such as fructose (10 percent), crystal products (20 percent) and skiing supplies (40 percent).

So far, only the value added tax has been levied on such entertainment places as night clubs, cabarets, kisaeng houses, restaurants for foreign tourists and skiing resorts. But a 10 percent tax on amusements, food, and drink will be additionally imposed on such "luxurious" places.

The elastic tax rates, presently being applied to some electronic items, will expire at the end of this year, and the new basic tax rates will be put into force next year.

In addition to the basic tax readjustments, the ministry has also decided to introduce a provisional tax rate system under which newly-developed products will enjoy lower tax rates.

Such strategic items which require a solid foundation for domestic supply, will get tax favors for a certain period. This measure is aimed at fostering and encouraging the development of new products.

Meanwhile, informed sources said the excise tax on gasoline would be lowered to 130 percent from the present 160 percent.

CSO: 4120/12

S. KOREA/POLITICS AND GOVERNMENT

BRIEFS

POSTS, PARTY ASSIGNMENTS ROTATED--The Democratic Justice Party's [DJP] plan to rotate government officials between government posts and party assignments is opposed by the Democratic Korea Party [DKP] and the Korea National Party [KNP], as well as by some of its own members, who cried out: "Does the party want us all to resign?" DJP deputy secretary general Yun Sok-sun said that the plan calls for recruiting talented people from the government without creating hardships for them. He added that the plan will not harm the government--no matter what opposition parties may say. Yi Chae-hyong, leader of the DJP, said there is no reason to make a fuss about it because the party intends to recruit only a few each year from the government. According to the DJP, the plan appears to be a minor problem. To party members, experts on issues be dealt with by these rotating officials, the system is dangerous and a serious problem. Admitting that the experts in the party are demoralized, Pak Hyon-tae, chief of the DJP policy coordination office, said he is trying to convince them that system will involve only a few officials. [Excerpt] [SK260622 Seoul CHOSON ILBO in Korean 26 Sep 81 p 2]

FINANCIAL AID TO DKP--The Democratic Korea Party, which failed to pay activity funds to 52 executive members of the party central committee for 2 months, received from 20 party members consent to participate in a financial supporters' association as of 20 September. Since this May, when the party began to discuss the matter of forming a financial supporters' association, no party members have shown much interest in this regard. When the party's financial difficulties persisted, party president Yu Chi-song took charge of forming this association. By maintaining contacts with businessmen lawmakers within the party, he has obtained consent from about 20 persons. Deputy party president Yi Tae-ku said the deputy party presidential body and three leading party executive members are assisting the party president in forming a financial supporters' association. He went on to say that while striving to rally some 100 persons, the party will inaugurate a financial supporters' association by the end of October with the participation of 30 to 60 members. Deputy party president Yi said he has obtained consent from several friends and that other party executive members seem to be making efforts in this regard. He added that lawmakers other than party executive members should assist in the work to form the supporters' association. [Text] [SK271035 Seoul HANGUK ILBO in Korean 27 Sep 81 p 2]

ROTATION SYSTEM OPPOSED--Kwon Chong-tal, secretary general of the Democratic Justice Party [DJP], said on 26 September that he opposes the plan to rotate government officials between government posts and party assignments. He asked how can one serve the party and the government on a rotating basis. He said the party's

recent employment of two government officials on its special committees to fill a need for talented persons from the government and broad social segments to formulate party policies has caused a misunderstanding. On 25 September, Yim Tok-kyu, deputy spokesman of the Korea National Party, issued a statement criticizing this party-government rotation system. On 26 September, Kim Chin-pae, spokesman of the Democratic Korea Party, issued a statement saying it was difficult to understand the idea of subverting government officials' neutrality and calling for an end to further discussions on the rotational system. [Text] [SK270720 Seoul SINMUN in Korean 27 Sep 81 p 2]

CSO: 4108/6

LNG IMPORT ASSESSED

Seoul JOURNAL OF ENERGY RESEARCH in English Sep 81 pp 27-33

[Article by Hahn Hyo-chun and Chong Chae-hyon, Korea Institute of Energy and Resources: "Economic Analysis of LNG Import in Korea"]

[Text] Abstract

Recently the Government has made the major decision to import LNG and LPG on a large scale in order to diversify its sources of energy imports.

According to this government decision, KECO & Tae Sung Energy Co., Ltd. are known to prepare for the import of LNG and LPG respectively. This study analyses economic feasibility of investment project concerned with LNG import and estimates delivered prices of LNG to power and estimates delivered prices of LNG to power plants and private sector (residential & commercial) by the cost price build-up method in accordance with vertical integration of distribution channels. In addition, this paper provides whether or not LNG is economically competitive among the existing domestic residential sources.

The results of comprehensive analysis and review of economic analysis are as follows:

- 1) Assuming that consumers in residential and commercial sectors pay a premium for higher utility of LNG and to compensate for the loss incurred in the LNG supply company due to its LNG supply to power plants at lower prices, the more the LNG supply, the cheaper the delivered price of LNG town gas would be.

Accordingly it is suggested to meet the increasing demand for LNG town gas by curtailing LNG consumption in power plants.

- 2) The research shows that LNG price is estimated to be considerably higher than the existing energy sources. But it is expected that LNG will come to substitute oil and coal as a result of increased income, convenience in use, cleanliness itself, and government supporting policy for LNG.
- 3) In order to stably secure the long-term supply of fuel, it is necessary to expand gas supply and to utilize LNG & LPG as town gas to the utmost. We therefore suggest that the Government establish "5-YEAR DEVELOPING PLAN FOR GAS" including LNG demand creation, optimal supply of gas sources, and

SET OFF.

表 1 CASH FLOW TABLE OF LNG TERMINAL (1981-1987)

	1 (1981)	2	3	4	5	6	7	8
income	0	0	0	0	32,137	32,137	64,273	64,273
Finance	7,000	198,450	135,170	91,470	22,110	27,370	38,010	0
Equity	0	0	0	15,800	0	0	2,100	0
Loan	7,000	70,610	87,300	23,110	5,730	5,480	3,070	0
Supplier's credit	0	35,840	47,870	32,560	116,380	21,860	32,840	0
investment	7,000	198,450	135,170	91,470	22,110	27,370	38,010	0
Land & jetty	5,500	56,890	69,410	15,320	0	0	0	0
Terminal facilities	1,500	49,560	65,760	30,430	22,110	27,370	11,150	0
Working capital	0	0	0	22,720	0	0	16,300	0
Interest during construction	0	0	0	22,980	0	0	7,960	0
Other capital investment	0	0	0	0	0	0	0	0
Operating cost	0	0	0	0	7,740	7,740	10,800	10,800
Utilities	0	0	0	0	2,114	2,114	3,199	3,199
Labour	0	0	0	0	418	418	418	418
Maintenance	0	0	0	0	1,527	1,527	2,185	2,185
Tax & insurance	0	0	0	0	3,054	3,054	4,371	4,371
General overhead	0	0	0	0	627	627	627	627
Debt service	0	0	0	0	88,564	84,638	109,077	103,649
Interest on loan	0	0	0	0	24,728	19,782	27,143	21,715
Repayment	0	0	0	0	64,836	64,856	81,934	81,934
(depreciation)	0	0	0	0	16,111	16,111	16,111	16,111
Income before tax	0	0	0	0	15,085	20,640	10,219	15,648
Corporate tax	0	0	0	0	0	0	0	0
Net income	0	0	0	0	15,085	20,640	10,219	15,648
Net cash flow	0	0	0	-15,800	-33,050	-28,104	-57,704	-50,175
Accumulated cash flow	0	0	0	-15,800	-48,850	-76,955	-134,659	-184,834
Return on equity (%)	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939
Present value	0.0	0.0	0.0	-10,405	-18,936	-14,010	-25,026	-19,933
Accumulated present value	0.0	0.0	0.0	-10,405	-29,342	-43,352	-68,379	-87,312
terminal charge (W/MMBTU)	416.03	416.33	416.03	416.03	416.03	416.03	416.03	416.03

注: 1) 建设期: 1981-1987年; 2) 1981-1987年: 1981-1987年; 3) 1981-1987年: 1981-1987年

CASH FLOW TABLE OF LNG TERMINAL (11% IRR = 9%)

(単位: 百万円, 単位: 千円換算)

	9	10	11	12	13	14	15	16
revenue	64,273	64,273	64,273	64,273	64,273	64,273	64,273	64,273
debt service	0	0	0	0	0	0	0	0
equity	0	0	0	0	0	0	0	0
loan	0	0	0	0	0	0	0	0
supplier's credit	0	0	0	0	0	0	0	0
investment	0	0	0	0	0	0	0	0
land & jetty	0	0	0	0	0	0	0	0
terminal facilities	0	0	0	0	0	0	0	0
working capital	0	0	0	0	0	0	0	0
interest during construction	0	0	0	0	0	0	0	0
other capital investment	0	0	0	0	0	0	0	0
operating cost	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800
utilities	3,199	3,199	3,199	3,199	3,199	3,199	3,199	3,199
labours	418	418	418	418	418	418	418	418
maintenance	2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185
tax & insurance	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371
general overhead	627	627	627	627	627	627	627	627
debt service	99,306	22,873	21,714	0	0	0	0	0
interest on loan	17,372	5,795	4,636	0	0	0	0	0
repayment	81,934	17,078	17,078	0	0	0	0	0
(depreciation)	16,111	16,111	16,111	16,111	16,111	16,111	16,111	16,111
income before tax	19,940	31,568	32,727	37,362	37,362	37,362	37,362	37,362
corporate tax	0	0	0	0	0	0	0	0
net income	19,940	31,568	32,727	37,362	37,362	37,362	37,362	37,362
net cash flow	-45,832.54	59,612.56	31,759.52	53,473.29	53,473.29	53,473.29	53,473.29	53,473.29
accumulated cash flow	-230,667.25	-171,054.62	-139,295.06	-85,821.75	-32,348.46	21,124.83	74,598.06	128,071.31
return on equity (%)	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939
present value	-15,046.70	17,027.01	7,892.36	11,561.24	10,056.61	9,751.27	7,613.96	6,654.27
accumulated present value	-102,359.44	-85,332.37	-77,439.54	-65,879.69	-55,820.08	-47,068.81	-39,454.96	-32,830.69
terminal charge (W/MMBTU)	416.03	416.03	416.03	416.03	416.03	416.03	416.03	416.03

	17	18	19	20	21	22	23	24
revenue	64,273	64,273	64,273	64,273	64,273	64,273	64,273	64,273
fuel	0	0	0	0	0	0	0	0
equity	0	0	0	0	0	0	0	- 74,820
loan	0	0	0	0	0	0	0	0
supplier's credit	0	0	0	0	0	0	0	0
investment	0	0	0	0	0	0	0	- 74,820
land & jetty	0	0	0	0	0	0	0	- 14,710
terminal facilities	0	0	0	0	0	0	0	- 21,099
working capital	0	0	0	0	0	0	0	- 39,010
interest during construction	0	0	0	0	0	0	0	0
other capital investments	0	0	0	0	0	0	0	0
operating costs	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800
utilities	3,199	3,199	3,199	3,199	3,199	3,199	3,199	3,199
labour	418	418	418	418	418	418	418	418
maintenance	2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185
tax & insurance	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371
general overhead	627	627	627	627	627	627	627	627
debt service	0	0	0	0	0	0	0	0
interest on loan	0	0	0	0	0	0	0	0
repayment	0	0	0	0	0	0	0	0
(depreciation)	16,111	16,111	16,111	16,111	16,111	16,111	16,111	16,111
income before tax	37,362	37,362	37,362	37,362	37,362	37,362	37,362	37,362
corporate tax	0	0	0	0	0	0	0	0
net income	37,362	37,362	37,362	37,362	37,362	37,362	37,362	37,362
net cash flow	53,473.29	53,473.29	53,473.29	53,473.29	53,473.29	53,473.29	53,473.29	53,473.29
accumulated cash flow	161,544.56	235,017.81	288,491.06	341,964.31	395,437.56	448,910.81	502,384.06	555,857.31
return on equity (%)	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939	0.14939
present value	3,783.30	5,014.23	4,362.53	3,785.52	3,362.21	2,873.02	2,499.61	5,217.62
accumulated present value	27,067.79	-22,053.15	-17,039.62	-13,895.10	-10,542.49	-7,298.87	-4,105.03	0
terminal charge (W/MMBTU)	416.03	416.03	416.03	416.03	416.03	416.03	416.03	416.03

FIG. 2. CASH FLOW TABLE OF LNG PIPELINE

	8	9	10	11	12	13	14	15
revenue	5406	5406	5406	5406	5406	5406	5406	5406
beginning	0	0	0	0	0	0	0	0
equity	0	0	0	0	0	0	0	0
loan	0	0	0	0	0	0	0	0
supplier's credit	0	0	0	0	0	0	0	0
investment	0	0	0	0	0	0	0	0
pipeline	0	0	0	0	0	0	0	0
interest during construction	0	0	0	0	0	0	0	0
operating cost	946	946	946	946	946	946	946	946
utilities	312	312	312	312	312	312	312	312
labours	31	31	31	31	31	31	31	31
maintenance	9	9	9	9	9	9	9	9
tax & insurance	585	585	585	585	585	585	585	585
general overhead	9	9	9	9	9	9	9	9
debt service	9658	0	0	0	0	0	0	0
interest on loan	2234	0	0	0	0	0	0	0
repayment	7424	0	0	0	0	0	0	0
(depreciation)	1242	1242	1242	1242	1242	1242	1242	1242
income before tax	1964	4218	4218	4218	4218	4218	4218	4218
corporate tax	0	0	0	0	0	0	0	0
net income	1964	4218	4218	4218	4218	4218	4218	4218
net cash flow	- 4197.66	5406.05	5406.05	5406.05	5406.05	5406.05	5406.05	5406.05
accumulated cash flow	- 36351.89	- 30991.84	- 25431.79	- 19971.73	- 14511.68	- 9051.63	- 3591.58	1888.47
return on equity (%)	0.08426	0.08426	0.08426	0.08426	0.08426	0.08426	0.08426	0.08426
present value	- 3197.58	2636.31	2431.46	2242.09	2058.22	1867.50	1759.26	1627.56
accumulated present value	- 24275.77	- 21629.45	- 19298.01	- 16985.52	- 14897.30	- 12989.89	- 11210.53	- 9697.98
terminal charge (W/AMBTU)	82.93	82.93	82.93	82.93	82.93	82.93	82.93	82.93

(单位: 百万元, 80年 不变价格)

CASH FLOW TABLE OF LNG PIPELINE (HPIRR=13%)

	16	17	18	19	20	21	22	23
revenue	6406	6406	6406	6406	6406	6406	6406	6406
finance	0	0	0	0	0	0	0	0
equity	0	0	0	0	0	0	0	-2760
loan	0	0	0	0	0	0	0	0
supplier's credit	0	0	0	0	0	0	0	0
investment	0	0	0	0	0	0	0	-2760
pipeline	0	0	0	0	0	0	0	-2760
interest during construction	0	0	0	0	0	0	0	0
operating cost	946	946	946	946	946	946	946	946
utilities	312	312	312	312	312	312	312	312
labours	31	31	31	31	31	31	31	31
maintenance	9	9	9	9	9	9	9	9
tax & insurance	585	585	585	585	585	585	585	585
general overhead	9	9	9	9	9	9	9	9
debt service	0	0	0	0	0	0	0	0
interest on loan	0	0	0	0	0	0	0	0
repayment	0	0	0	0	0	0	0	0
(depreciation)	1242	1242	1242	1242	1242	1242	1242	1242
income before tax	1218	4218	4218	4218	4218	4218	4218	4218
corporate tax	0	0	0	0	0	0	0	0
net income	4218	4218	4218	4218	4218	4218	4218	4218
net cash flow	5460.05	5460.05	5460.05	5460.05	5460.05	5460.05	5460.05	8220.05
accumulated cash flow	7328.52	12788.57	18248.62	23708.67	29168.72	34628.77	40088.82	46308.87
return on equity(%)	0.08426	0.08426	0.08426	0.08426	0.08426	0.08426	0.08426	0.08426
present value	1496.46	1360.16	1272.91	1173.99	1080.76	998.61	921.01	1278.82
accumulated present value	- 8111.52	- 6731.36	- 5458.45	- 4284.46	- 3201.70	- 2203.09	- 1282.08	0
terminal charge(W/MJBTU)	82.93	82.93	82.93	82.93	82.93	82.93	82.93	82.93

S. KOREA/ECONOMY

ROK REVEALS 5-YEAR AGRICULTURE DEVELOPMENT PLAN

SK290302 Seoul YONHAP in English 0243 GMT 29 Sep 81

[Text] Seoul, Sep 29 (YONHAP)—The Korean Government plans to invest 2.2 trillion won (some 3.2 billion U.S. dollars) at 1981 current prices in agriculture-fisheries development projects over the next five years, to boost the average annual growth rate from the current 2.6 percent to 3.3 percent by 1986.

The total accounted for an increase of 600 billion won (one U.S. dollar is worth about 687 won) over the amount invested in the same sector during the 1977-81 period.

A finalized fifth five-year agriculture-fisheries development plan (1981-86), announced Tuesday by the Agriculture-Fisheries Ministry, contains an ambitious 10-year agricultural water development program, which calls for a nearly 3.7 trillion-won investment in irrigation works to supply water to 76 percent of the country's paddy fields by 1986, and again to 90 percent by 1991, thus boosting rice production up to five million soms (one som is equivalent to 5.12 U.S. bushels).

The country's self-sufficiency in the production of rice, the staple food of the Korean people, is projected to increase from the present 63 percent to 99.4 percent by 1986 and again to 100.5 percent by 1987, one year after the target of the five-year plan.

During the five-year period, the country's land will be divided into 10 major farming areas in consideration of weather conditions and geographical features, to establish an effective crop planting system which will encourage the growing of crops suitable for each farming area.

In order to develop new sources for additional incomes, the plan selected malting barley, peanut, garlic, sesame seed and six other crops as 10 major strategic crops to be raised intensively during the plan period.

It also called for the breeding of 50,000 head of cattle and the importation of 20,000 heads of cattle annually to meet the growing meat demand and to stabilize beef prices.

Other highlights of the five-year plan include the modernization of the distribution channels of farm and marine products, the introduction of an insurance system to reduce flood and drought damages, the diversification of import sources for feed grains and the boosting of fish catch to three million tons and fish exports to 1.5 billion dollars annually.

CSO: 4120/12

S. KOREA/ECONOMY

NEW ARAB POLICY THREATENS ROK CONSTRUCTION WORK

SK170137 Seoul YONHAP in English 0103 GMT 17 Sep 81

[Text] Manama, Bahrain, Sep 15 (YONHAP)—Korea's overseas construction works, especially in the Middle East, are entering a new phase, as Saudi Arabia and other major Arab oil-rich countries employ a "get-tough" approach to foreign contractors.

The Arab protectionist policy, aimed at awarding as many contracts as possible to local companies, has recently been strengthened, a move causing alarm in Korean construction firms in the Middle East, which now number about 80 with a total work force of more than 100,000 persons.

"We have thus far managed to overcome tough competition with major Western companies and have made remarkable inroads into this area since the early 1970's. The situation has changed, however, in recent days, because of the new Arab policy. Now we have to tackle dual competition: one with advanced Westerners and another with rapidly growing Arab contractors fully supported by their respective governments," Korean constructors said in unison.

The seriousness of the Arab get-tough policy was well illustrated last month when Saudi Arabia, the largest market for Korean constructors, implemented its official policy of giving local companies the opportunity to undertake government projects, even if their prices are less competitive than those quoted by foreigners.

The Saudi measures were given weight by Deputy Premier Crown Prince Fahd's approval of a set of recommendations that called for utmost efforts in the promotion of local capabilities to implement government projects.

The recommendations, submitted by a ministerial committee formed on orders of Prince Fahd to study ways of promoting local contracting firms, was circulated among Saudi Government departments in mid-August, according to a spokesman of the Ministry of Finance and National Economy.

They stipulated that large projects should be subdivided, if possible, to make more local contractors eligible for the work.

The recommendations also called for closer check on the abidance of foreign contractors to an article usually included in the contracts, which committed the contractor to obtaining approval from the contracting party for subcontracting parts of the contract. The foreigners will be encouraged to subcontract to local firms.

The recommendations also restricted nonconstruction contracts such as catering, maintenance, employment, transportation and importation of raw materials only to Saudi contractors, since they have already achieved the necessary skill to undertake such work.

The recommendations supplement, a previous royal decree issued last December which demanded, among other things, that government departments award all ordinary road, bridges, and small and medium building contracts to local contractors. The royal decree also called on government departments not to restrict their dealings to a limited number of contractors and importers who frequently win contracts, and to send invitations to as many companies as possible. Under these measures, a 10 percent price advantage for local contractors in competitive bidding has already become normal in some government ministries, it was learned.

The trend toward local dominance in construction and other development projects is common to other oil-producing Arab countries, such as Kuwait and the United Arab Emirates. The UAE, a Gulf country in which Korean constructors are active, has also adopted a similar policy under which more and more civil contracts from the government and state-owned companies are going to go local.

UAE Government officials concerned have admitted that foreign expertise will still be needed in the service sector and in subcontracting but added that fewer signboards with big international names will be seen in the near future.

In addition, some Korean constructors have already experienced setbacks in Kuwait and Bahrain over the past few years because the Gulf states were the first among the Arab world to adopt the localization move.

Some Koreans are also expressing anxiety that Iran and Libya, two other big construction export markets for Korea, might soon follow Saudi Arabia and the Gulf states in exercising the "local first policy."

As a matter of course, the Arab commitment to local firms has drawn a warm welcome from the native people.

"All Saudi contractors had a tough time coping with foreign competition, especially from the Koreans. I hope our government departments will strongly execute that policy," said Abdullah al-Daban, a leading Saudi businessman involved in banking, commerce and industry. "It will really give us more opportunities to participate in the huge construction programme that is going on during the current third five-year development plan through 1985."

Another leading Arab entrepreneur, Khalaj al-Habtur, who owns a big engineering company in the UAE, was reported this week to have said in an interview with a daily: "UAE companies are not against foreign companies having a share of the business, but fair and honest competition should be the rule. I personally feel that all sectors, if possible, should be dominated by local firms."

The growing Arab protectionist move does not mean that there is little room for constant advance by the Koreans. Despite the encouragement for local firms in

recent years foreign companies, in fact, have not yet been seriously affected. Relatively small projects are going to local concerns.

However, it also does not necessarily mean that Korean constructors can survive in the future by holding on to their previous business style based on cheap labour in the 1970's.

One of the best ways to meet the gradually tightening protectionist policy is to form joint ventures with local firms, Korean contractors said, pointing out that foreign companies setting up joint ventures are considered local. Forming consortia with Western and Japanese firms is another way to survive, and improvement in management capabilities, coupled with high technology, is also desirable, they added.

In this context, Saudi Arabia's Deputy Commerce Minister 'Abd ar-Rahman az-Zamil has offered this meaningful suggestion:

"The future shape of foreign company involvement in Saudi development is through joint ventures with local firms. There is no particular rule that you must give work to Saudis, but in practice, if you look, you will find a lot of jobs are now open by limited invitation only to Saudis or joint ventures."

CSO: 4120/12

S. KOREA/ECONOMY

BRIEFS

ECONOMY REPORTED 'RECOVERING STEADILY'--Seoul, Sep 25 (YONHAP)--Korean Deputy Premier and Economic Planning Board Minister Sin Pyong-hyon said Friday that the country's economy is recovering steadily. During a monthly briefing session for President Chon Tu-hwan, the top economic planner said that the production and the delivery of commodities in August increased by 2.0 percent and 1.7 percent, respectively, over the previous month, and the inventory of products dwindled. Sin reported that the country's exports as of the end of August amounted to 13.82 billion U.S. dollars, up 26.4 percent over exports for the same period last year, while imports stood at 14.76 billion dollars, up 17.6 percent over imports during the same period a year earlier, thus improving the country's trade deficits. Wholesale and consumer prices went up 0.9 percent and 1.4 percent during the month, and total price increases as of the month of August were 11.7 percent and 13.0 percent, respectively. Sin said that government finances however, grew worse with 393.7 billion won (one U.S. dollar is worth about 685 won) of deficits vs. 161.3 billion won of surplus during the same period last year. The premier attributed the worsened government finance situation partially to decreased internal tax revenues. [Text] [SK250255 Seoul YONHAP in English 0244 GMT 25 Sep 81]

SWISS TIES PROMOTED--Seoul, Sep 26 (YONHAP)--Korean Commerce-Industry Minister So Sok-chun, who is currently visiting Switzerland, met with Friz Honegger, Swiss minister of economics, Friday, to discuss the promotion of bilateral economic cooperation and trade, the Commerce-Industry Ministry said Saturday. At the meeting, So called upon Switzerland to relax the restraint on the generalized scheme of preferences (GSP) against Korean commodities, and asked for Switzerland's participation in Korea's fifth five-year economic development plan starting next year. So also asked that Switzerland invest capital and technology in small businesses in Korea. Responding to So's requests, Honegger proposed a joint investment in power-generating equipment for heavy industries and construction companies in Korea. So also attended the third joint meeting of the Korean-Swiss economic cooperation committees held Friday at the Atlantis Sheraton Hotel in Berne. [Text] [SK260228 Seoul YONHAP in English 0044 GMT 26 Sep 81]

SEABED OIL DRILLING—Seoul, 25 Sep (YONHAP)—Korea will resume drilling in the seventh sub-mining zone, along the Korean-Japanese joint continental shelf development area from the second week of October, in search of seabed oil resources. Energy-Resources Ministry officials said Friday that the drilling would be conducted at latitude 23°30' north and longitude 126°27' east, some 330 km south of Korea's Cheju Island. With its many well-developed anticlinal structures, the seventh sub-mining zone has the highest oil potential, the officials said. The Korean-American Oil Co., concessionaire for the seventh zone, will be in charge of the drilling, but practical drilling projects will be undertaken by a Japanese oil rig called the "Hyakuryo" (White Dragon) No 5. The oil rig is scheduled to reach the drilling spot around October 5 and drill a 4,160-meter-long shaft for about 90 days until early next year, according to the officials. Korea drilled two holes in the fifth and seventh sub-mining zones last year, but failed to hit commercially feasible oil deposits. Korea conducted another seismic survey of the seventh subzone last April, covering some 1.692 meters in the area. Survey results were computerized by Hamilton International of the United States, which determined the drilling spot for the resumption of Korea's black gold hunting operation. The plan calls for the drilling of eleven holes during the 1979-87 period along the continental shelf lying between Korea and Japan, under a 1974 bilateral joint continental shelf development agreement. [Text] [SK250129 Seoul YONHAP in English 0114 GMT 25 Sep 81]

COAL PRODUCTION TARGET—Seoul, 28 Sep (YONHAP)—Korea's coal production is expected to reach 19.7 million tons by the end of this year, 700,000 tons or 3.7 percent more than the original target set for the year, the Energy-Resources Ministry said Monday. Last year, Korea produced 18.5 million tons of coal. Contributing to the favorable coal output were the coal price hikes implemented twice so far this year and the government's financial support for the coal industry, ministry officials explained. The country's coal consumption for this year is estimated at 22.24 million tons, up 6.6 percent over the previous year's. But the figure is falling short of the 2.1 percent the expected increase. Meanwhile, Korea plans to import 3.84 million tons of coal, and 5.08 million tons of coal were carried forward to this year's account. Thus, Korea's coal inventory is expected to reach 6.38 million tons by the end of this year, up 31.4 percent over the original plan, and up 25.7 percent over last year's inventory. [Text] [SK280258 Seoul YONHAP in English 0240 GMT 28 Sep 81]

CSO: 4108/6

S. KOREA/FOREIGN RELATIONS

SEOUL DAILY COMMENTS ON PENDING TRUDEAU VISIT

SK241033 Seoul TONG-A ILBO in Korean 23 Sep 81 p 2

[Article by Yi To-song]

[Excerpts] Canadian Prime Minister Pierre Elliot Trudeau will pay a 3-day official visit to the ROK 27-29 September. This visit will afford an opportunity to broaden the sphere of diplomatic activities, which have tilted too much to the United States.

It has been a long time since the ROK Government extended a formal invitation to the Canadian prime minister. Trudeau had earlier expressed his intention to visit the ROK this July. One of the factors prompting this visit is the Canadian Government's appreciation of the ROK's national strength and its important role in Asia.

Since 1976 when the Canadian Government signed an agreement with the ROK Government on developing and using atomic energy for peaceful purposes, Canada has shown interest in the ROK as a market for atomic power. The Canadian prime minister has also shown interest in exporting atomic furnaces to the ROK, including sales of the (Kandu) atomic furnace, which are now being discussed between the two countries. Canadian officials have predicted that the ROK-Canada summit talks will concentrate on international issues, such as East-West tension, political issues concerning the Korean Peninsula and trade and investment matters. They predict that an economic agreement will be signed during Trudeau's visit. In its "Diplomacy" column the 29 July edition of "THE CITIZEN," a daily published in Ottawa, said that exports of atomic furnaces will be discussed during the Canadian prime minister's visit.

Desiring to sell atomic furnaces, communications equipment, planes and many other goods, Canada has shown interest in the ROK, the third-ranking export market in Asia.

Trade between the ROK and Canada has increased 18 times in the past decade. In 1980 trade between the two countries totaled \$720 million. The ROK's exports amounted to \$340 million. Canada exported \$380 million of goods. Government officials of the two countries predict that trade between the two countries will exceed \$1 billion this year.

Our country is striving to resolve pending issues with Canada, such as participation in the exploitation of marine and forestry resources in Canada, signing contracts to purchase natural gas from Canada and a fishery agreement on fish quotas for staple fish and liberalization and expansion of Canadian assistance in the machinery, ship-building, electric, metallurgical, electronic, chemical and textile fields.

Although it is difficult for us to expect a solution to all such issues, officials predict that these ROK-Canadian talks will afford an opportunity to develop mutual understanding and consolidate cooperative relations in various sectors, including the political and economic fields, through frank discussions.

CSO: 4120/12

S. KOREA/FOREIGN RELATIONS

CHON MEETS SAUDI ARABIAN VICE DEFENSE MINISTER

SK150130 Seoul YONHAP in English 0107 GMT 15 Sep 81

[Text] Seoul, Sep 15 (YONHAP)--Visiting Saudi Arabian Vice Defense Minister Othman Ibn Muhammad al-Humaid paid a courtesy call on South Korean President Chon Tu-hwan at Chongwadae, the presidential mansion in Seoul, Monday afternoon, and received the order of national security merit, Tongil (unification) medal from the president.

The commander of the Saudi Arabian army Abdul Mohsin 'Ali al-Omaran, who accompanied al-Humaid to Chongwadae, also received the order of national security merit, Kukson medal.

South Korean Defense Minister Chu Yong-pok, government administration minister Kim Yong-hyu, and Saudi Arabian charge d'affaires to Seoul Essa al-Nowaiser were present at the Chongwadae ceremony.

The Saudi Arabian vice minister flew into Seoul Saturday, accompanied by seven other Saudi Arabian officials, for an eight-day official visit, at the invitation of Korea's Vice Defense Minister Pak Chan-kung.

During their stay here, al-Humaid and his party are scheduled to meet with Korean Government and military leaders to discuss military matters of common interest to the two countries.

They are also scheduled to visit arms industry plants, the truce village of Panmunjom, and one of the three North Korean-built tunnels which have so far been uncovered within the United Nations command sector of the demilitarized zone (DMZ) dividing South and North Korea.

They are to leave Seoul Saturday.

CSO: 4120/12

S. KOREA/FOREIGN RELATIONS

ROK, COLOMBIA SEEK TO IMPROVE RESOURCES TIES

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[Text] The second Korea-Colombia resources cooperation committee meeting opened yesterday in Seoul for a three-day run to discuss ways of further promoting bilateral cooperation in resources areas.

For the Seoul meeting, Korea is represented by an 11-man delegation, led by Vice Minister of Energy and Resources Choe Dong-kyu, while Colombia is headed by an eight-member delegation led by Carlos Zambrano Ulloa.

Among the major issues to be brought forth for discussion at the meeting are possible joint ventures in mineral resources development including petroleum resources.

Colombia, endowed with a wide variety of mineral resources, holds promise for Korea as a possible major supplier of key mineral resources, particularly crude oil, hard coal and uranium, ministry officials said.

The South American country is thought to have some 800 million barrels of proven crude oil reserve plus 10.056 million tons of hard coal deposit.

Coal production came to 4,300,000 tons in 1979, of which one million tons were exported.

There is much room for Korean firms to participate in Colombia's immense mineral resources development projects in collaboration with their Colombian business counterparts, they said.

Colombia has set a long-term crude oil development program calling for drilling a total of 712 exploratory wells between 1980 and 1989. It has also set aside \$1,166 million for hard coal development projects.

It encourages foreign firms to team up with Colombian interests for exploitation of its rich uranium resources.

The first bilateral committee meeting was held last November in Bogota. The major agreements reached at the Bogota meeting were technical cooperation in resources development and Korean firms participation in Colombia's resources development.

The visiting Colombian delegation is scheduled to observe the major industrial establishments in the southern part of the country after the meeting.

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